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Air Currents

NEW YORK AVIATION MANAGEMENT ASSOCIATION • VOL. 6 NO. 1 • SPRING 2004

NYAMA Takes Legislative Message to Albany

GA Sales Tax Relief Bill Becomes Cornerstone of Legislative Agenda

Members of the New York Aviation Management Association (NYAMA) gathered in Albany on March 16, 2004 to bring the legislative concerns of the industry to State lawmakers during the organization's 2004 Advocacy Day.

Highlighting the Association's legislative agenda was a recently submitted bill, drafted by NYAMA, that seeks sales tax relief for Part-91 aircraft sales and service.

"The bill seeks equality with commercial service aircraft currently receiving tax relief, and with neighboring states providing similar tax relief to GA aircraft," said Stephen Acquario, Esq., NYAMA's Legislative Liaison. "The current tax structure puts New York aviation at a tremendous competitive disadvantage with neighboring states. Thousands of dollars of potential New York State business is crossing state lines to avoid sales tax impact. This legislation will go far toward leveling the playing field."

"This issue was originally brought to NYAMA by the Long Island Business Aviation Association (LIBAA)," explained Stephen D. Williams, NYAMA President. "After seeing aviation jobs lost and business moving to border states, LIBAA knew action must be taken to preserve the aviation industry in New York."

"Since forming a collaboration between NYAMA and LIBAA," Williams continued, "we've added the support of the National Business Aviation Association (NBAA) and Aircraft Owners and Pilots Association (AOPA). It is clear this legislation has strong backing from all areas of the aviation community."

The bill was submitted into both houses of the Legislature earlier this year (S.6114/A.9716). NYAMA encourages members to contact their local legislators and urge their support for the legislation.

See pages 4-5 for photos from Advocacy Day.



NYAMA leaders meet with Comptroller's Office, Assembly Ways and Means

Following closely on the heels of Advocacy Day, members of NYAMA's leadership joined representatives from LIBAA and AOPA to advocate for the recently submitted GA sales tax relief bill.

On April 15, representatives from the three groups met with staff from the New York State Comptroller's Office and Assembly Ways and Means to share the intent and purpose of the sales tax relief bill.

"We realize our efforts to pass this bill come at a time when New York continues to struggle with tight fiscal conditions," said Stephen D. Williams, NYAMA President. "It was important for us to make our case with those responsible for advising state lawmakers as to the financial impact of this bill."

"We strongly believe this bill will have a significant, positive impact on state and local economies," explained Stephen Acquario, NYAMA Legislative Liaison. "Our contention is that the current sales tax climate drives business out of New York State. Relieving the industry of this tax will involve minimal tax revenue loss, because there's minimal business conducted in the State anyway. However, tax relief will bring more jobs and more business into the state, positively impacting State revenues through other means."

NYAMA leaders were well-received by both the Comptroller's Office and Assembly Ways and Means. The Association will continue to provide periodic updates as the legislation progresses.

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Stephen D. Williams
President

Word on the Wing

*From the
President*

Dear Friend of Aviation:

It's hard to believe we find ourselves in the midst of the summer months. The year has gone by quickly.

NYAMA has been very busy these first months of the year with legislative advocacy efforts. Chief among legislative priorities for the organization is support for the general aviation sales tax relief bill (S.6114/A.9716).

The bill was authored by NYAMA in cooperation with the Long Island Business Aviation Association (LIBAA), and submitted by both houses of the Legislature earlier this year.

The legislation would provide much needed sales tax relief for Part-91 aircraft sales and service in New York State. Currently, aviation sales and service providers in New York are at a significant competitive disadvantage — almost all of our neighbor states provide tax relief, effectively driving business out of the state. This legislation would level the playing field and help New York keep more job in the state.

Toward this end, NYAMA held an Advocacy Day in mid-March in which this and other legislative concerns were presented to state lawmakers. The event involved representatives from small and large airports, as well as representatives from the aviation business community. We were particularly pleased with the turnout from legislators at the annual legislative reception. Despite a snowstorm that hit Albany the afternoon of Advocacy Day, the room used for the reception was packed with state lawmakers. It is clear that NYAMA's consistent and continued effort to build support and improve our presence in state government has paid off.

Looking ahead, the next big event on NYAMA's horizon is the annual Fall Conference and Expo, scheduled for October 6-8 in Syracuse. Every year we seek to learn from past experiences and build a better, more productive and useful conference program. This year we are shifting the program to a Wednesday to Friday schedule. This will enable us to provide a more compact, focused program, as well as a one-day conference rate. I urge you to put this on your calendar and plan to attend.

This month, the Greater Rochester International Airport hosted another ASC Training program. Last year NYAMA established a good relationship with AviaEd — an Arizona-based company providing quality training programs to the aviation community. The relationship resulted in ASC Training in February and involvement in last year's Fall Conference. AviaEd returned to provide ASC training in Rochester on June 16.

Speaking of training, NYAMA has recently formed a Training Committee tasked with the job of developing a training program schedule that will meet the unmet needs of New York State airports. If you are a member of the Association, you received a training survey in the last few months intended to identify the primary training needs for Association members. We believe aviation training is critical to the success and growth of the industry, and hope NYAMA can help meet the training needs of our members. If you have not done so already, please complete the training survey and fax or mail it to NYAMA Headquarters.

In other aviation news, the Department of Transportation continues to move forward with its transformation process. NYAMA has maintained ongoing dialog with the Department to seek adequate consideration for aviation needs. Part of this process includes the formation of a DOT "Advisory Panel for Transportation in 2025" responsible for reviewing investment needs, policy issues and providing options and recommendations for DOT's ongoing operations development. The panel will hold 9 hearings across the state to solicit stakeholder input regarding the state's transportation master plan. NYAMA has begun to gear up for these hearings and will ensure the voice and concerns of the aviation community are heard.

Thank you again for your commitment to NYAMA and the aviation industry. Have a wonderful summer!

Sincerely

A handwritten signature in black ink, appearing to read "Stephen D. Williams". The signature is stylized and fluid.

Stephen D. Williams
NYAMA President

The New Part 139

The long awaited revisions to Part 139 became a reality on February 10 when the FAA released its final rule on the certification of airports. The rule is the final product of a regulation that has traveled a long and winding road to fruition. Its development came in 1996 as Congress authorized the FAA to apply the regulation at airports serving aircraft with more than nine passenger seats, instead of the previous 30 seats. Four years later, the FAA issued a notice of proposed rulemaking. (AAAE submitted comments on behalf of its membership in October 2000.)

The chart on Pages 34 and 35 provide a breakdown of changes for each paragraph within the regulation. The changes primarily impact smaller airports with service from passenger aircraft with less than 30 seats. Another change is the development of four classes of airports based on the type of operation and size of aircraft (in terms of passenger seats) that use the airport (see box). Significant changes affecting airports currently certified under Part 139 include record-keeping and training changes and a change to 139.337, which outlines wildlife hazards.

In a rare move, the FAA was tasked by Congress to submit a report detailing the regulatory impact of the final rule on smaller airports before the rule can be effective. The resulting report, "Economic Impact on Air Service at Airports Serving Small Air Carrier Aircraft Resulting from Certain Changes to Title 14 CFR Part 139—Certification of Airports," analyzes the rule's ramifications at airports that would fall under the new Class III. Assuming that Congress accepts FAA's report, the effective date of the rule is June 9.

Some airports will view the changes as significant, others will not. The preamble to the rule provides good background information on FAA's intent in on FAA's intent in developing and implementing this regulation.

Resources on the regulation are abundant. You can view the regulation and other supporting documentation on either the AAAE regulatory affairs Web site at www.airportnet.org/regulatory or the FAA's Web site developed solely for the final rule at <http://www.faa.gov/arp/certification/part139/>.

By Craig Williams, A.A.E., AAAE's vice president, regulatory affairs.

It's Class Time

The new Part 139 changes the airport certification process to incorporate all airports covered by the statute. Airports are reclassified into four new classes, based on the type of air carrier operations served. Class I, II and IV airports currently hold Part 139 Airport Operating Certificates (AOCs); Class IIIs will be newly certified. A breakdown:

Class I: Serve all types of scheduled operations of large air carrier aircraft (designed to hold 31 or more seats) and any other type of air carrier operations. These airports currently hold an AOC and may serve any air carrier operations covered under Part 139. Class Is must comply with all Part 139 requirements.

Class II: Airports that currently hold a limited AOC (or airports that have maintained an AOC after loss of scheduled large air carrier aircraft service) are either Class II or Class IV. Class IIs serve scheduled operations of small air carrier aircraft (designed for 10-30 seats) and unscheduled operations of large air carrier aircraft; they cannot serve large air carrier operations. Class IIs now must comply with more operational and safety requirements than were required of limited AOC holders.

Class III: Class IIIs serve only scheduled operations of small air carrier aircraft. (Airport certification requirements are not applicable to certain airports in Alaska.)

Class IV: Class IVs serve only unscheduled large air carrier aircraft operations. Air carrier operations are so infrequent at these airports that in the past, FAA only required them to comply with some Part 139 requirements. This continues to be the case, but new operational requirements have been added along with modifications to the airport certification process and other administrative changes.

Source: FAA

For more information: <http://www.faa.gov/art/certification/part139>

NEW YORK
Aviation Management Association
 NYAMA
 2004 Fall Conference and Expo
Celebrating the Legacy of Aviation

October 6-8, 2004
 The Marx Hotel | Syracuse, NY
 Hosted by Syracuse Hancock International Airport

Mark your calendar for NYAMA's Annual Fall Conference and Exhibit Show. Registration materials will be distributed mid-summer. Visit the NYAMA web-site periodically at www.nyama.com for program updates and other conference details.

Interested in sponsoring? Contact NYAMA Headquarters today to request sponsorship information. The earlier sponsorship commitments are received, the earlier we are able to recognize your organization's support!

2004 NYAMA Advocacy Day





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Governor Reaffirms Support for Lockheed Martin's US101 Project

Attends Company Groundbreaking of New Presidential Helicopter Facility

Governor George E. Pataki today attended the groundbreaking of Lockheed Martin's new presidential helicopter facility in Owego, Tioga County and reaffirmed his strong support for the company's bid to build the next generation of "Marine One" helicopters. Lockheed Martin is one of two companies being considered by the United States Navy to replace the aging "Marine One" helicopter fleet for the President of the United States.

"The State of New York is proud to be a member of the US101 team, and I am confident that team will be creating hundreds of jobs here in the Southern Tier and benefiting the entire Upstate New York economy," Governor Pataki said. "The President deserves to have the best helicopter in the world, and we want the next generation of 'Marine One' helicopters to come from Owego, New York."

"We're going to do everything we can at the State level to be supportive of this project," Governor Pataki said. "Following Endicott Interconnect Technologies recent announcement to create 700 jobs in Broome County, we have the potential to create up to 750 new jobs for the Southern Tier if Lockheed Martin wins this contract. This recent success, combined with Lockheed winning this contract, would represent another major step forward in reaching our ambitious goal of creating one million new jobs in New York by the end of the decade."

Senator Thomas W. Libous said, "Under Governor Pataki's leadership, we've made great progress in improving our economy and infrastructure since 1995. And by breaking ground on this facility here at Lockheed Martin today, we're moving one step closer to securing the US101 contract and creating hundreds of new jobs for our great workforce."

Assemblyman Gary D. Finch said, "I am excited to be here with Governor Pataki as we support Lockheed Martin's efforts to secure the US101 project. This significant project will provide economic stimulus and job growth for Owego and the region for many years to come."

Marty Borko, Chair, Tioga County Legislature said, "Lockheed Martin is Tioga County's largest employer and we are proud of their commitment to the economic vitality of our community. We are certain that production of the next generation of 'Marine One' helicopters should be entrusted to Lockheed Martin; a company known for quality and innovation."

Frank C. Meyer, President of Lockheed Martin Systems Integration in Owego said, "Customer-focused performance and product support are the key words here today. We have had a very successful relationship with our U.S. Navy customer for three decades and we hope to build on that solid record by winning the Marine One contract. I also want to point out that we could not be successful without the outstanding relationships we have enjoyed for more than 40 years with our elected officials and our community."

Lockheed Martin is the largest employer in the Southern Tier, currently employing about 3,500. It is anticipated that winning the Navy contract could add up to 750 new jobs at their facility in Owego. In addition, the program would benefit suppliers in 37 New York counties.

The company submitted their proposal for the presidential helicopter replacement program in early February. An award announcement is expected in May of this year.

Charles A. Gargano, Chairman of Empire State Development said, "This is a great announcement for Lockheed Martin and Owego, New York. Governor Pataki's commitment to the growth of our business community continues to create new private sector jobs throughout the State. Our business community recognizes the ongoing advantages of operating and expanding in New York State, and we look forward to helping more companies like Lockheed Martin with their expansion plans."

FAA Forecast: More Passengers, More Flights, More Work

The changing fleet mix of commercial air carriers from large jets to smaller regional aircraft, combined with the rapid growth of regionals/commuters and low-cost carriers, could further stress the nation's airspace and challenge the FAA's air traffic control system.

Numbers presented by the FAA at this year's annual aviation forecast indicate an industry that is nearing its pre-Sept. 11, 2001 levels, and show healthy signs of growth. But, the way in which the industry is growing is quite different from years past.

It surprises no one that more passengers — estimated at about 1.1 billion compared to about 641 million last year — will be flying by 2015, but the way that they're flying might surprise some.

"We are seeing different passengers, traveling on new and different airlines, using different types of aircraft, and flying in and out of different airports," Secretary of Transportation Norman Y. Mineta said during his keynote speech at the conference.

"Aviation today is not so much an industry in recovery, as an industry in transition," he added. The fast-growing low-cost carriers and regional/commuter airlines are expected to account for more than 50 percent of all passengers by 2015. This could increase the workload for controllers. Low-cost carriers tend to fly their planes more hours per day than do the major airlines. And the smaller regional jets are becoming a new economic tool for major airlines on some routes, with greater frequency of service replacing service by the larger jets.

The number of instrument flights handled by air traffic control centers is expected to increase 33 percent by 2015, while the number of instrument operations handled at FAA and contract towers is expected to jump 29 percent.

It also means the Office of Regulation and Certification, which will see its oversight responsibility increase as the fleets of these smaller aircraft continue to grow, will have to become more efficient and find new ways to leverage the capabilities of its work force.

Low-cost carriers often avoid the big congested airports. But by 2015, many of the secondary airports these carriers use will become congested themselves.

Woodie Woodward, associate administrator for Airports, said that preliminary findings in a new Mitre report indicate that 27 airports would face serious congestion problems by 2013 if no additional improvements were made to them. These facilities include big airports like San Francisco and Los Angeles International, but also smaller airports like those in Tucson, Ariz., and San Antonio, Texas.

By 2020, that number would grow to 42 if no capacity improvements were made.

Reprinted with permission, FAA Intercom, April 2004.

Albany Airport Activity Soaring

Business travelers, competitive fares among factors for boardings increase

Albany International Airport is starting 2004 strong, as travelers take advantage of competitive fares and more flight destinations.

The number of boardings in January and February totaled 216,932, up almost 3 percent from the year-ago period, according to data released by the Albany County Airport Authority, which oversees the facility. While boardings in January dropped by more than 4 percent, February saw a boom, posting a 9.8 percent jump from 2003.

United Airlines saw its market share grow from 8.4 percent to 11.1 percent over the two months, the largest increase among the carriers that service Albany. Delta Airlines and Northwest Airlines also logged gains, while traffic was flat on Continental Airlines, and down slightly at Air Canada, Southwest Airlines, US Airways and American Airlines.

Airport Chief Executive Officer John O'Donnell credited the results — and a now-higher boarding projection for all of 2004 — to the competitive atmosphere created in Albany when Southwest arrived in May 2000.

"These airlines had to do something," O'Donnell said. "And they had to compete head-on with Southwest." The figures signal a resurgence in business travel, proof that the Tech Valley initiative is paying off, he added.

Industry analyst Henry H. Harteveltdt offered similar observations Thursday.

"Some of that traffic gain is... from more businesspeople traveling to the area," said Harteveltdt, vice president in the San Francisco office of Forrester Research, a Boston-based consultant that covers, among other industries, aerospace.

"I just think that the fact that (Albany is) up 3 percent for an industry that's down 1.1 percent year over year is significant growth," he said.

Reprinted with permission, Albany Times Union. By Joshua Hurwit, Staff writer. First published: Friday, March 12, 2004

NYAMA Strategic Planning

Training Survey Distributed to NYAMA Members

One of the goals identified by NYAMA's leadership during the 2003 strategic planning process was the creation of training program to meet the needs of small and medium-sized airports in New York State.

To further that end, NYAMA created a Training Committee, tasked with the responsibility of identifying target training needs and developing a training program schedule for the year.

In March of this year, the Committee distributed a training needs survey to all members of the Association. The results from this survey will form the basis for the training program efforts.

If you have not yet completed the survey, we urge you to do so immediately. Let your voice be heard as the organization maps out the 2004-05 training schedule!

**Missplaced
your survey?**

**Download it online
at www.nyama.com/**

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119 Washington Avenue • Suite 100
Albany, NY 12210
(518) 432-9973 PH • (518) 432-1712 FX
info@nyama.com • www.nyama.com

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GA Industry Strengthening

A recent report by the General Aviation Manufacturers Association (GAMA), indicates the general aviation industry was beginning to show signs of strength following one of the most challenging periods in aviation history. Ed Bolen, President and CEO of GAMA, credited the accelerated depreciation rules included in last year's tax bill with beginning a turnaround that is being evidenced by strong piston engine airplane shipments, a shrinking used market, and a plethora of new airplane models entering service.

According to Bolen, general aviation is evolving rapidly and becoming an excellent option for growing number of travelers. "When you consider the wide range of general aviation aircraft available today and the innovative ownership and utilization options, such as fractional programs, "jet cards", and the shared-ownership programs in the piston segment, you see an industry poised to meet the travel needs of a growing number of people and companies."

NYSDOT Moves to Wolf Road

The New York State Department of Transportation Aviation Services Bureau has moved to new offices on Wolf Road in Albany. The new address is:

50 Wolf Road, 54
Albany, NY 12232
Phone: 518-457-8343
Fax: 518-457-9779